

**CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE
CALIFORNIA CITRUS ADVISORY COMMITTEE (CCAC)**

**Meeting Minutes
September 14, 2005**

Members Attending

Robert LoBue
Nick Hill
David Roberts
Ron Matik
Damon Corey
Brett Kirkpatrick

CDFA Representatives

Rick Jensen
Gary Manning
Steve Patton
Vic Tolomeo
Jeff Cesca
Susan Shelton

Interested Parties

Jim Sebesta, Sunkist
Bob Blakely, CCM
Sam Vorhees, Kern County
Marilyn Kinoshita, Tulare County
Dennis Plann, Fresno County
Scotti Walker, Fresno County
Dennis Wert, Sunkist

ITEM 1: ROLL CALL

The meeting was called to order at 1:00 p.m. Gary Manning called role and a quorum was established.

ITEM 2: APPROVAL OF MARCH 2, 2005 AND APRIL 12, 2005 MEETING MINUTES

MOTION: Ron Matik moved to accept the March 2, 2005 meeting minutes as submitted. Brett Kirkpatrick seconded. The motion passed unanimously.

MOTION: Robert LoBue moved to accept the April 12, 2005 meeting minutes as submitted. Damon Corey seconded. The motion passed unanimously.

ITEM 3: REVENUE REPORT/FUND BALANCE

Gary Manning gave the committee copies of the Citrus Program's Summary of Crop Year Revenue. He explained that this report reflects the monthly revenue of both the Navel and Valencia Program and the Orange Crop Program. He also noted that the months are reported when CDFA receives the assessments not necessarily when the cartons are shipped. Revenues and balances as of July 29, 2005 are:

Valencia Revenue	\$ 39,071.73	
Navel Revenue	439,572.06	
Navel/Valencia Fund Balance	2,278.00	(Includes interest pymt. of \$898)
Bank of America Fund Balance	1,364,606.00	(Interest year-to-date is \$11,126)

ITEM 4: 2005/06 BUDGET APPROVAL

A. NAVEL AND VALENCIA

Gary distributed a copy of the 2005/06 Proposed Budget and explained that the numbers are based on a fiscal year. He reviewed the proposed budget report with the committee. This report outlines the actual revenue and expenditures for the 2004/05 fiscal year and the proposed budget for the 2005/06 fiscal year. The budget (spending authority) proposed was \$640,000. A discussion ensued regarding the various line items.

MOTION: Robert LoBue moved to approve the budget as presented. Ron Matik seconded. The motion passed unanimously.

B. ORANGE CROP

Jeff Cesca presented a Fund Condition Statement that outlined actual and projected revenues and expenditures for the Orange Crop Survey Program (OCSP) from fiscal year 1999/2000 through fiscal year 2008/2009. This fund condition outlined a proposed five year repayment program where the OCSP would repay the Navel and Valencia program \$37,800 per year. The first repayment was in fiscal year 2004/2005.

Last year the 2008/2009 projections showed an approximate deficit of \$39,000. However, since the Committee voted to discontinue separate district forecasts and only prepare one statewide forecast, projections for that time period now show a balance of \$2,755.

ITEM 5: APPROVAL TO CONTINUE MAINTAINING BANK OF AMERICA ACCOUNT

The committee discussed the account type, interest rate, and financial institution. It was decided to continue with the Bank of America (B of A) account.

Gary explained that since the state pro rata has increased to approximately \$12,000 the committee might want to increase the amount in the Ag Fund. Currently the balance is \$2,278. Gary suggested that the committee might want to transfer funds from the B of A account to increase the Ag. Fund balance to \$15,000. This will cover the quarterly draws taken for pro rata. If the amount is not increased by the next draw then the Ag Fund will have a negative balance.

Currently, draws from the B of A account are scheduled for January and March of each year. The committee discussed the issue of making an unscheduled draw. Also

discussed was that the B of A account has a higher interest rate than the Ag Fund account. It was decided that the funds would be left as they are until January.

MOTION: Robert LoBue moved to continue maintaining the Bank of America account and in January make a draw from the B of A account to the Ag Fund to cover county contracts, pro rata and interest owed. Ron Matik seconded. The motion passed unanimously.

ITEM 6: AGRICULTURAL STATISTICS UPDATE

Vic Tolomeo from the California Agricultural Statistics Service passed out a copy of the 2005-06 California Navel Orange Objective Measurement Report. This report is based on an objective sampling method, which is derived from counts and measurements. The measurement report, released on September 12, 2005 forecast 84 million cartons. The average fruit set was 461 oranges per tree, with a diameter of 2.230 inches. This number represents the harvestable tree crop, which included juice oranges, etc.

ITEM 7: LEGISLATION UPDATE (AB85)

Gary Manning announced that AB 85 was approved by the Governor and filed with the Secretary of State on September 6, 2005. This bill amends Section 48000 – 48002.5 of the California Food and Agriculture Code. Some things that this legislation allows:

- Increase the committee from eight to twelve members
- Lemons and/or mandarins can now be included (mandarin citrus is defined in Section 48002.5 as "...mandarins, including tangerines and mandarin hybrids")
- Crop assessment can be for orange, mandarin and/or lemons
- Maximum mil assessments are now 11 for Navel, 6 for Valencia, 5 for lemons, and 6 for mandarins
- Changes the name of the committee to the California Citrus Advisory Committee

Pursuant to the Assembly Bill 85, the previously established Navel and Valencia Orange Advisory Committee has been renamed and expanded and will henceforth be the California Citrus Advisory Committee (CCAC). As AB 85 changed but did not dissolve the Navel and Valencia Orange Advisory Committee the existing members of the Navel and Valencia Orange Advisory Committee will remain as members of the Committee, which has now been renamed the CCAC. New or additional members will be seated upon appointment by the Secretary of the California Department of Food and Agriculture in accord with statutory requirements.

A discussion ensued regarding the inclusion and assessment of lemons and mandarins. It was decided that the committee needed to get representation for lemons and

mandarins onto the committee before decisions on assessment, acreage survey, or the inspection program was made. Vic Tolomeo stated that the best time to begin an acreage survey for lemons and/or mandarins would be in October with a publish date sometime in June. This way it would be included in the citrus acreage survey. The cost for the first year would be about \$100,000.

The committee will meet again in October to discuss the requests of the lemon and mandarin industry. If an acreage survey is desired then assessments and particulars will be decided.

MOTION: Nick Hill moved to suspend assessments on mandarins and lemons until October. At this time CCAC will meet with the inclusion of new members representing those citrus varieties. Damon Corey seconded. The motion passed unanimously.

Effective October 1, 2005 the mill fee for Navel and Valencia orange inspection will be reduced from \$.007 to \$.006 on Navel oranges and from \$.0025 to \$.0015 on Valencia oranges. Additionally, AB 85 has established that the mill fee to fund the inspection program and the mill fee to pay for the state crop estimating service and acreage survey will now be combined into a single assessment.

MOTION: Robert LoBue moved to set the combined assessment at 3.5 mill for Valencia oranges and 8 mill for Navel Oranges. This assessment will be in effect until further notice. Brett Kirkpatrick seconded. The motion passed unanimously.

Gary Manning handed out a draft copy of the CCAC Bylaws. He also stated that some of the wording in Section 2.6, Committee Action, should be modified. He suggested that the following wording be inserted in reference to how many members constituted a quorum: "A quorum for the conduct of Committee business shall consist of at least two-thirds of the committee members". The committee concurred.

ITEM 8: REGULATION CHANGE-ORANGE ASSESSMENT

The committee discussed regulations in regards to the new legislation. Gary will inquire with CDFA Legal Department to see if Section 1430.44.5 of the California Code of Regulations can be removed.

ITEM 9: NOMINATION/ELECTION OF NEW OFFICERS

This item will be tabled until the next meeting of the CCAC.

ITEM 10: OTHER BUSINESS

Gary announced that Citrus Maturity Training would be held on October 6, 2005 in Tulare and October 13, 2005 in Riverside.

ITEM 11: NEXT MEETING

The next meeting will be October 20, 2005 in Tulare, CA at 1:00 P.M.

ITEM 12: ADJOURNMENT

As there was no other business to discuss, the Committee adjourned at 2:55 p.m.

Respectfully submitted by:

Gary Manning, Program Supervisor
Inspection and Compliance Branch
Inspection Services

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